



## **Aiming for the Middle: Benchmarks for Colorado's Future** **Executive Summary** **June 20, 2007**

Colorado is falling behind.

While we remain a unique place with beautiful mountains, abundant natural resources, dynamic economic growth, and a reputation as a wonderful place to live, work, and raise a family; Colorado is falling behind other states when it comes to investing in vital public structures.

In this report, *Aiming for the Middle*, we document how much Colorado is lagging behind most other states in funding public services and what it would cost just to get to the middle of states in essential measures such as public education, higher education, health care, and transportation. In the long term, merely “aiming for the middle” may not be bold enough for Colorado to maintain our economic growth, our business climate, and our standard of living. However, this report is not a prescription for funding levels and policy priorities, but rather a benchmark for Coloradans to debate and decide what kind of future we want to build.

In recent statewide elections, Coloradans made it clear that we will not accept lagging, outdated policies, but rather seek to make investments in our future. By approving Referendum C in 2005, Amendment 23 in 2000, Amendment 35 in 2004, and T-REX in 2000, the voters authorized increases in public services. However, in each case, these were stopgap, band-aid measures that merely avoided drastic sudden cuts in public services.

Right now, Colorado ranks close to the bottom among states both in spending on critical public services and in tax burden on its citizens. The simple fact is that we cannot have it both ways—it is not sustainable:

- We cannot continue to be a leader in high paying jobs if we lack the higher education system to train workers for those jobs.
- We cannot maintain a high concentration of college graduates when we have one of the lowest per student school spending rates.
- We cannot continue to pride ourselves on being among the healthiest and fittest states when we rank 49<sup>th</sup> in providing health care coverage to low-income children and families

- And we cannot sustain our reputation as a world-class tourist destination with a failing transportation system.

What we can do is take a good, hard look at these benchmarks and decide what we want Colorado to look like in the future.

Is this the kind of state we want to be? Are these the priorities we need to be competitive, to ensure future prosperity? And is this what we want to leave for our children?

### **Colorado's Future: The Specifics**

In order for Colorado to move to the middle of its peers in terms of per capita investment in critical public services, the state would need to increase annual spending by over \$3.31 billion.

In virtually every vital service, compared to almost every other state, Colorado is shortchanging its future:

#### **Elementary and Secondary Schools:**

Colorado ranks between 34<sup>th</sup> and 47<sup>th</sup> in per capita investment in public education, according to several studies by the U.S. Census Bureau cited in this report. It would take \$672.5 million to reach the U.S. average.

#### **Children's Health and Medicaid:**

Colorado currently ranks 49<sup>th</sup> in covering low income families and other uninsured people under Medicaid. It would take nearly \$1 billion to reach the per capita U.S. average. Moreover, Medicaid covers relatively few services in Colorado, which ultimately drives up health care costs for everyone. Colorado's State Child Health Plan covers proportionately fewer kids than in almost every other state, at a time when, according to Morgan Quitno's *2006 State Health Care Rankings*, we have the 7<sup>th</sup> highest percentage of uninsured children in the country.

#### **College Opportunity:**

Colorado ranks 48<sup>th</sup> in per capita spending on higher education. Business leaders know the importance of this. They recognize that the Colorado is facing a crisis in funding for higher education, and it threatens our economic future. It would take at least \$467 million more to reach the national average in per capita funding for public colleges and universities for Colorado's young people.

#### **Transportation and Highways:**

Colorado ranks only 39<sup>th</sup> in state highway spending per capita. Our transportation system is in a state of serious disrepair, threatening our business climate and our quality of life. Colorado would need to increase highway investments by at least \$139 million to reach the national average per capita.

**We can no longer count on mountains and minerals to make Colorado a good place to live, learn, work, raise children, and do business. Throughout this report, we offer more detailed assessments of how much the other states are investing in their futures – and how far Colorado lags behind. How we act on this information is up to all of us. But now, we can't say that we don't know the dimensions of the challenges we face.**

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